GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4401
ANSWERED ON:24.04.2000
DUTY ON PETROLEUM PRODUCTS
ARUN KUMAR;NAWAL KISHORE RAI

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether attention of the Government has been drawn towards the news-item captioned `Naik says duty cut can avert diesel price hike` appearing in the Pioneer dated January 21, 2000;

(b) if so, whether the Government have prepared any concrete proposal in regard to duty on petroleum products;

(c) if so, the outlines thereof;

(d) whether this proposal has been sent to the departments concerned for approval; and

(e) if so, the details thereof?

Answer

MININSTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS

(SHRI SANTOSH KUMAR GANGWAR)

(a) Yes, Sir.

(b) to (e): In November, 1997 Government accepted the recommendations of Expert Technical Group (ETG) and decided the phased programme of dismantling of Administered Pricing Mechanism including rationalisation of duty structure(customs/excise) of crude oil and petroleum products during the transition phase of reforms. Also there were pre-budget consultation between Ministry of Petroleum and Natural Gas and Ministry of Finance to consider reducing import duties in view of the steep hike in global product prices.The details of existing excise/customs duties and duties (excise/customs) proposed in the Union Budget presented in the Parliament on 29.2.2000 are given in Annexure I & II.

ANNEXURE-I

Statement showing Excise Duties on Petroleum Products

(in percentage)

Item name	Effective rates 1999-2000 (Cenvate+Special excise duty)	Proposed in the Union Budget for 2000-01
Motor Spirit	32	32
Liquefied Petroleum Gas(LPG)	8	8
Liquefied Natural Gas(LNG)	8	16
Furnace Oil/Naphtha and Low Sulpher Heavy Stock-General Use	16	16
Furnace Oil/Naphtha and Low	16	16

Sulpher Heavy Stock-Fertilizers

Kerosene 8 8

High Speed Diesel/Light Diesel Oil 16 16

Aviation Turbine Fuel 16 16

Bitumen 16 16

Others 16 16

ANNEXURE-II

Statement showing Customs Duties on Petroleum Products

Item Name	Effective rates 1999-2000	Proposed in the Union Budget for 2000-01
Motor Spirit	30%	25%
High Speed Diesel	30%	25%
Aviation Turbine Fuel	30%	25%
Light Diesel Oil	30%	25%
Furnace Oil	30%	25%
Bitumen	30%	25%
Low Sulpher Heavy Stock	30%	25%
Liquified Petroleum Gas(LPG)	10%	10%
Naphtha	5%	5%
Kerosene (PDS)	Nil	Nil
Kerosen (for manufacture of LAB/N-Paraffin)	5%	5%
Liquified Natural Gas(LNG)	5%	5%
All other petroleum products	30%	25%

Kerosene (Parallel Marketing Scheme)	30%	35%